



U.S. Department of Justice

**Stephen J. Murphy
United States Attorney
Eastern District of Michigan**

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277
Fax: (313) 226-3561*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

May 23, 2006

EVENT: Sentencing

Defendant: LaToya Cotton

FORMER STATE HOUSING AGENT SENTENCED

LaToya Cotton, 45, of Canton and former agent of the Michigan State Housing Development Authority ("MSHDA") was sentenced today by United States District Judge Patrick J. Duggan to 41 months after pleading guilty to one count of obtaining over \$1,000,000 by defrauding MSHDA, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Daniel D. Roberts, Special Agent In Charge of the Detroit Field Office of the Federal Bureau of Investigation and Brandy Westcot, Coordinator for the Michigan State Housing Development Authority.

The fraud from MSHDA, a federally funded entity, occurred between 1994 and 2005. During that time, Cotton worked as an agent for MSHDA. Her duties included arranging for State rental vouchers to be paid to low income tenants. Cotton committed the fraud by creating a straw company called "Washtenaw Payee Services" and directing voucher payments to a bank account in the company's name, while claiming the payments were rent payments on behalf of indigent tenants.

As part of her sentence Cotton must forfeit her home and repay the amount obtained by fraud, namely, \$1,052,701.

United States Attorney Murphy said: “A theft from the public treasury is doubly damaging – and loathsome – when it involves funds that were intended for the poor. Any official who steals such funds can expect to be subject to the full force of available federal criminal statutes.”

The investigation of this case was conducted by the Federal Bureau of Investigation, the Michigan State Housing Development Authority, and the U.S. Bureau of Housing and Urban Development, Office of Inspector General. The case is being prosecuted by Assistant U.S. Attorney R. Michael Bullotta.